



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Michael Moseley, Director

September 26, 2005

**MEMORANDUM**

To: LME Directors

From: Mike Moseley 

Re: Suspension of Division Requirement for the Use of the Child and Adolescent Functional Assessment Scale (CAFAS®) Rating Instrument Effective September 30, 2005

This is to inform you that the Division has received a notice of termination of the Division's current copyright license agreement granted on March 25, 1996 by Dr. Kay Hodges and Functional Assessment Systems, LLC, of Ann Arbor, Michigan, that has authorized the Division's use of the Child and Adolescent Functional Assessment Scale (CAFAS®). **Based on this notice of termination, the Division has decided to suspend its requirement for the mandatory utilization of the CAFAS® rating instrument and score(s) as an essential element within any and all of the Division's approved or endorsed systems, plans, processes, manuals, forms, criteria, descriptions, and definitions, effective September 30, 2005.**

All Local Management Entities (LMEs), area/county programs, and/or providers that are interested in the continued utilization or prospective utilization of the Child and Adolescent Functional Assessment Scale (CAFAS®) rating instrument by their staff should immediately contact Dr. Kay Hodges, and make individual arrangements for the approval and authorization of the use of the CAFAS®. Dr. Hodges may be contacted at Kay Hodges, Ph.D., Functional Assessment Systems, LLC, 2140 Old Earhart Road, Ann Arbor, MI 48105, 734-769-9725 (Phone), 734-769-1434 (Fax).

The Division's suspension of the required use of the CAFAS® rating instrument and score(s) specifically includes, but is not limited to, the Division's and the LME's use within the target population eligibility determination process of the Division's Integrated Payment and Reporting System (IPRS) for children and adolescents with mental health and/or substance abuse disabilities.



Division staff are currently engaged in the process of reviewing and revising the Integrated Payment and Reporting System (IPRS) Target Population Details FY 2005-06 and the IPRS Child Eligibility Matrix for FY 2005-06 to accommodate the discontinuance of the required use of the CAFAS® rating score(s) for IPRS eligibility determination.

A summary of the revisions in the Client Eligibility Criteria outlined in the Target Population Details FY 2005-06 is as follows:

**The IPRS revised Client Eligibility Criteria within the Child Mental Health target population details for Seriously Emotionally Disturbed with Out-of-Home Placement (CMSED) will include:**

Child, under the age of 18, with atypical development (up to age 5) or Serious Emotional Disturbance (SED) as evidenced by the presence of a diagnosable mental, behavioral, or emotional disturbance that meets diagnostic criteria specified in ICD-9;

**AND**

Functional impairment that seriously interferes with or limits his/her role or functioning in family, school, or community activities;

**AND**

Placed out of the home or at risk of out-of-home placement, as evidenced by any of the following:

- Utilizing or having utilized acute crisis intervention services or intensive wraparound services in order to maintain community placement within the past year;
- Having had 3 or more psychiatric hospitalizations or at least 1 hospitalization of 60 continuous days within the past year;
- Having had DSS substantiated abuse, neglect or dependency within the past year;
- Having been expelled from 2 or more daycare or pre-kindergarten situations within the past year;
- Having been adjudicated or convicted of a felony or 2 or more Class A1 misdemeanors in juvenile or adult court or placed in a youth development center, prison, juvenile detention center, or jail within the past year. or
- Situation exacerbated by special needs, (e.g., physical disability that substantially interferes with functioning).

**The IPRS revised Client Eligibility Criteria within the Child Mental Health target population details for Seriously Emotionally Disturbed (CMMED) will include:**

Child, under the age of 18, with atypical development (up to age 5) or Serious Emotional Disturbance (SED) by the presence of a diagnosable mental, behavioral, or emotional disturbance that meets diagnostic criteria specified in ICD-9;

**AND**

Functional impairment that seriously interferes with or limits his/her role or functioning in family, school, or community.

For a complete description of the other requirements for these two target populations, including the ICD-9 Diagnosis Ranges, Concurrency Issues, Service Array, Provider Restrictions, Funding Sources, and Utilization Management, the Division's IPRS web site should be consulted at:  
<<http://www.dhhs.state.nc.us/mhddsas/iprsmenu/targetpops/targetpop-cmh05-06.pdf>>.



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The specification of the changes related to the CAFAS® in the IPRS Population Details FY 2005-06 will be completed and posted in the coming week on the Division's web pages, for an effective implementation date of September 30, 2005.

The Division's suspension of the required use of the CAFAS® rating instrument and score(s) will also include necessary revisions to the Child Levels of Care Criteria for Mental Health and Substance Abuse Treatment Services (March 2002). This document and all other Division processes and documents referencing the Division's required use of the CAFAS® rating instrument and score(s) are being immediately reviewed and revised as necessary.

During the remainder of this fiscal year Division staff will be researching and reviewing available child and adolescent assessment tools, and working with LMEs and providers to consider the identification and endorsement of one or more tools that the Division would adopt beginning in SFY 06-07. In so doing, we will weigh clinical effectiveness and comprehensiveness along with cost factors.

In the interim, the Division will continue to accommodate the optional entry of the CAFAS® rating score(s) on a voluntary basis for those providers who wish to utilize the CAFAS® rating score(s) within the North Carolina Treatment Outcomes and Program Performance System (NC-TOPPS) for the purposes of clinical assessment and outcomes measurement. As referenced above, those providers who wish to utilize the CAFAS® instrument and rating score(s) for this purpose are required to make individual arrangements for such authorized use with Dr. Hodges and Functional Assessment Systems, LLC.

Thank you for your patience and understanding regarding this change. If you have any questions please do not hesitate to contact Spencer Clark, Director of Operations and Clinical Services, Community Policy Management Section, at [Spencer.Clark@ncmail.net](mailto:Spencer.Clark@ncmail.net) or (919) 733-4670.

cc: Secretary Carmen Hooker Odom  
Allen Dobson, MD  
Executive Leadership Team  
Management Leadership Team  
State Facility Directors  
Carol Duncan Clayton  
Patrice Roesler  
MH Commission Chair  
Coalition 2001 Chair  
SCFAC Chair

